



7 October 2004

Property Investment Dir Flag
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COMPLETED STAFF WORK

SITUATION: Atlanta Org requires larger quarters in order to create an Ideal Org and an island of sanity in the Southeast.

DATA: A building has been located in Atlanta which I feel has great potential. This building is nearly 44,000 square feet, is of traditional architecture for the South and is centrally located for convenience. Glenridge Square sits on Roswell Road, $\frac{3}{4}$ of a mile from Interstate 285 and 2.5 miles from Georgia 400. Invoice surveys over the last 5 years show the key locations of our Dianetics Bookbuyers and Dianetics & Scientology service buyers. (TAB A) This location, at the top end of the city, puts us in a perfect position to be accessible by the local Scientologists and those coming from the surrounding states.

A vast majority of our public travel via car and these are the highways they take. Body traffic in Atlanta, save for the 9-5 business district downtown, is quite small. The point has been surveyed time and again and has found that people in this area prefer to drive than walk. This point was driven home even more so when public transportation initiatives were stopped by citizens of Metro Atlanta causing most Atlanta public transportation to halt at the Perimeter (Interstate 285). For this reason, we did not pursue searching for a building with high foot traffic. Rather, we prefer to locate and create a remote Testing Center to better accommodate both the org and the existing public.

The building has 3 floors and an underground parking garage which can be renovated and utilized for service or back lines. The first floor has a few grandiose

rooms and high ceilings throughout. The majority of the space on the first floor was dedicated to individual offices. The foyer includes marble floors and a grandiose winding staircase. This leads to the second floor and several larger spaces along with individual offices. The third floor has even larger open spaces and some smaller offices. The rooms on this floor have unique window wells and sloped ceilings. There is ample space among these three floors, plus the underground floor, to allow for flow lines and sufficient delivery for an Ideal Org. (TAB B)

The external aspects of the building include a traditional red brick, Williamsburg-style architecture with a large portico in the front and two small covered balconies also in the front. The north side of the building has a separate smaller portico and entrance (perfectly suited for a Dianetics Foundation). The lawn surrounding the building is landscaped with trees and shrubs. It also has a low red brick wall on the street sides of the building. On the outside of the wall, on the intersection, is a stand that was formerly used for signage. (TAB C)

Over 50,000 vehicles pass by this building everyday and we would be hard pressed to find a more busy road in the Atlanta area. There are 100 restaurants within 1.5 miles and 80 hotels within 4.5 miles. Though the building sits on an incredibly busy road, the side streets lead to established residential areas and newer construction of homes. The intersection of Glenridge Road and Roswell Road offers the best of both worlds – not only do we have a thriving business community within a 5 mile radius of the building, but we also have thousands of residential homes in that same area. This is one of the unique points of the city of Atlanta.

SOLUTION: Review and approve this checklist.

This is OK,

Karen Morris
ED ATL

approved

disapproved

BUILDING INVESTMENT COMMITTEE
CHECKLIST PART ONE

1. NAME OF PROPERTY:

Glenridge Square

2. FULL ADDRESS OF PROPERTY:

5395 Roswell Road, NE
Atlanta, Ga 30342

3. LOCATION OF PREMISES IN RELATIONSHIP TO CITY CENTER:

Approximately 9.5 miles, point-to-point
(TAB D)

4. IS THE LOCATION IN A HIGH CRIME OR SLUM AREA?

No.

5. ARE THE PREMISES IN A BUSY AREA WITH ABUNDANT PEDESTRIAN
TRAFFIC?

A) GIVE A BREAKDOWN OF HOW MANY PEOPLE WALK BY THE
BUILDING IN 10 MINUTE PERIODS

Morning: 4
Afternoon: 3
Evening: 2

B) NOTE IF THE BODY TRAFFIC IS RANDOM PUBLIC OR IF THEY ARE THE SAME PEOPLE GOING TO AND FROM AT ALL THREE COUNTS.

These are random public.

C) NOT WHAT KIND OF BODY TRAFFIC IS PASSING AND WHETHER THEY ARE UPSTAT OR DOWNSTAT.

These are average working people. None were particularly upstat, but none were downstat.

6. GIVE A BRIEF DESCRIPTION OF THE PROPERTY INCLUDING:

A) TYPE OF CONSTRUCTION:

Williamsburg-style, brick exterior w/wood framing (assumed)

B) APPROXIMATE DATE OF CONSTRUCTION:

1984

C) NUMBER OF FLOORS:

3 plus an underground enclosed garage/storage area

D) NUMBER OF ROOMS PER FLOOR:

1st floor – 27 enclosed areas, 2nd floor – 28 enclosed areas, 3rd floor – 20 enclosed areas

E) PROMINENCE OF THE BUILDING:

Highly visible, attractive location on main north-south traffic artery

F) CURRENT USE OF BUILDING:

Currently vacant, previously headquarters for residential real estate firm

G) ARE ANY PARTS OF THE PROPERTY THAT YOU WANT TO ACQUIRE LEASED OUT TO ANOTHER COMPANY?

Cingular Wireless leases 400 sf equipment closet on a month-to-month basis, providing approximately \$12,000 in annual rent

7. WHAT ARE THE DIMENSIONS OF:

A) THE BUILDING

43,916 sf including garage/storage

B) THE LAND

1.785 acres

8. WHAT IS THE SQUARE FOOTAGE OF THE BUILDING THE ORG NOW OCCUPIES?

7200

9. WHAT IS THE ASKING PRICE OF THE PROPERTY?

\$4,925,000

10. GIVE A COMPARISON OF THE BUILDING'S PRICE PER SQUARE FOOT WITH THE PRICE PER SQUARE FOOT OF OTHER SIMILAR BUILDINGS THAT HAVE SOLD IN THE AREA.

Mt. Vernon Commons – 2390 Mt. Vernon Road
Williamsburg-style building, 44,582 rentable. Sold for \$4,060,000 (\$91.07 psf) in October 2003. Comparable, although less prestigious, far inferior location.

500 Sugar Mill Road – Building A & B
2-story concrete block buildings, 48,772 rentable. Sold for \$4,600,000 (\$94.32 psf) in October 2002. Approximately 3-5 miles from subject. Investment property w/ good parking, but almost no street visibility and little prominence.

859 Mt. Vernon Hwy, NE
4-story, 50,400 sf, Class A Building. Sold for \$10,006,300 (\$198.54 psf) in June 2003. Single credit tenant with long-term lease, sold to investor

11. WHAT ARE THE EXISTING FINANCIAL DETAILS OF THE PROPERTY? (IF THE FINANCING IS ASSUMABLE WHAT IS THE LOAN BALANCE AND AT WHAT INTEREST RATE? WHAT ARE THE MONTHLY PAYMENTS AND WHEN WILL THE LOAN BE PAID IN FULL?)

Property is owned by a bank servicing company, no known financing available.

12. ANY DATA ON WHAT PRICE THE SELLER WILL ACTUALLY TAKE?

The seller strike price is believed to be between \$4 - \$4.25 million.

13. ARE THERE ANY OBVIOUS RENOS NEEDED?

- a. Possibly taking the underground parking and creating more delivery space so that the entire 43,000 sf are useable
- b. Building saunas for Purification Rundown Delivery
- c. HGC Auditing Rooms
- d. Academy (removing walls, possibly)
- e. Chapel/Meeting Hall

14. WHAT ARE THE CURRENT OPERATING COSTS OF THE BUILDING?

The building is currently vacant, but the 2004 Operating Costs are estimated at \$3.50 per sf for the building. This includes needed maintenance, utilities, taxes, insurance, lawn care and elevators.

15. IS THERE AMPLE AND CHEAP STUDENT AND PC HOUSING NEARBY?

There are 300 hotels/inns within 10 miles, 80 within 4.5 miles. Many of these are extended stay/business suites which can be kept for several weeks or months. (source: www.citysearch.com)

16. ARE THERE AMPLE AND CHEAP RESTAURANTS NEARBY?

There are over 2000 restaurants within 10 miles, 100 within 1.5 miles. (source: www.citysearch.com)

17. IS THERE AMPLE AND CHEAP TRANSPORT AVAILABLE NEARBY?

There is a MARTA (Metro Atlanta Rail Transit Authority) Bus which runs in front of the building between Dunwoody MARTA Rail Station and Lindbergh MARTA Rail Station.
(TAB E)

18. HOW MANY PARKING SPACES ARE AVAILABLE AT THE BUILDING?

25 underground enclosed spaces, 86 surface spaces. An existing easement with the next door neighbor, the USPS, has not been entered as permanent in county records, but can be at any time. This makes available another 120 parking spaces.

19. WHAT IS THE CURRENT ZONING OF THE BUILDING?

O & I (Office & Industrial)

20. IS THE BUILDING LOCATED IN A HISTORIC DISTRICT OR IS IT A LANDMARK BUILDING?

No

21. VERIFY THAT A LARGE SIGN CAN BE PUT UP WHERE IT IS EASILY VISIBLE.

A prominent sign has been used by the prior owner and there is no reason to assume that this situation has changed.
(TAB F)

22. THE BUILDING IS ACCESSIBLE BY HOW MANY ENTRANCES?

There are 2 driveway points of ingress/egress

The building garage/storage may be driven into, and has a secured door. There are four (4) doorway entrances on the first floor, as well as two (2) first floor offices with terrace doors.

23. GIVE A THOROUGH DESCRIPTION OF THE IMMEDIATE SURROUNDINGS.

The Glenridge Square Building sits at a corner where Glenridge Drive meets Roswell Road. The building sits on a landscaped lot with numerous trees and bushes. The plot includes a decorative low red brick wall on 2 sides of the property (road sides). North of the building on Roswell Road sits a small wooded area, then a traditional southern building which houses three finance and loan companies. Directly west of the building and across Roswell Road are two condominium complexes, both with wooded landscape. South of the building and across Glenridge Drive sits another wooded lot with a traditionally styled gated townhome complex. East of the building is the USPS, situated in a building also indicative of the southern architecture. The Glenridge Square Building is $\frac{3}{4}$ of a mile south of a highway (Interstate 285). That stretch houses numerous apartment and condominium complexes in addition to small, traditionally styled business parks and restaurants. While these sit directly on Roswell Road, any of the side streets will lead to residential homes. Further south on Roswell Road, past the Glenridge Square Building, are a dry cleaner, gas stations, small businesses, restaurants, grocery store, apartment/condominiums and more residential homes off each side road. The area further down Glenridge Drive, past the Post Office, is residential homes for approximately 2.5 miles, then this opens up into hospitals, business parks and the other major highway (Georgia 400). (TAB G)

24. WILL EACH DIVISION OF THE ORG BE ABLE TO BE ACCOMMODATED WITH PLENTY OF EXPANSION SPACE, PARTICULARLY FOR THE DELIVERY AREAS?

By the square footage of the building, the amount of space needed for each division would be sufficient. A separate entrance for Dianetics Foundation is feasible with the 4 doorway entrances on the first floor. The size of each of the floors also allows for smooth flow lines from one area to the next. The third floor also has sufficient open spaces that with just minor renovations, a multi-roomed Academy could be created. Sufficient auditing rooms can be built in the already existing office spaces with minor adjustments for size. In short, the 43,000 sf are enough room for all of the needed function of the org. Due to the lack of foot traffic in this area, an additional testing center would have to be located.

25. IS THERE A HIGH AIR POLLUTION (SMOG)?

Atlanta does have poor air quality. The reason for this is the number of motorists on the roadways. Atlanta is strict in its emissions testing for the city and outlying areas.

26. WHAT PROTECTION IS BUILT IN AGAINST ENVIRONMENTAL HAZARDS? (E.G. IS THE BUILDING EARTHQUAKE PROOF OR HURRICANE PROOF?) DOES IT NEED TO BE?

To the best of our knowledge, the property is built to conventional construction standards, which are not known to include earthquake or hurricane proofing in this area. These are not necessarily needed in our area.

27. LIST MAJOR PLUSPOINTS AND OUTPOINTS OF THIS PREMISES.

PLUSPOINTS:

- Fabulous façade, style very acceptable for the South, prominent in its area and recognized
- Very convenient to the major highways used by our public (realize we service parts of 7 states and the highways are the major form of transportation for our public)
- The building's location is less than 3 miles from our current location
- It is vacant right now and could be rapidly acquired
- Several oak offices, one of which is directly at the entrance and ideal for LRH office
- Located within 5-10 miles of major shopping centers, hotels, smaller shops and numerous restaurants
- Local bus service runs in front of the building
- Over 50,000 vehicles per day pass this intersection

OUTPOINTS:

- An easement exists with the neighbor next door for parking (building has 86 spots, USPS next door has hundreds more) but it is not final. There is no reason to think that it could not be finalized, but it is not at this time.
- Body traffic is low and would require a testing center in a more foot traffic-y area.
- The building is majorly blocked by trees lining the front and side yards, but there is room for large signage. (TAB H)

28. GIVE OTHER VITAL DATA.

None to give.

29. RECOMMENDATIONS.

I recommend that this checklist be approved and that the building is pursued as church property pursuant to approval of BIC TWO Checklist.

Signed:

Post:

Date Part One Started: 1 October 2004

Date Part One Completed: 7 October 2004

**PROPERTY PURCHASE/LEASE
BIC (BUILDING INVESTMENT COMMITTEE)
CHECKLIST PART TWO – SECTION A**

1. Identification of the property:

a. Name and address of the property:

GLENRIDGE SQUARE
5395 ROSWELL RD
ATLANTA, GA 30342

b. Our realtor name:

ANN CYPHERS, CYPHERS BROKERAGE ASSOCIATES, INC.

c. Owner's Realtor:

NONE AT THIS TIME, PROPERTY IS NOT ON THE MARKET
(OUR BROKER CHECKED WITH THE CURRENT OWNER AND HE IS
WILLING TO CONSIDER AN OFFER.)

d. Owner :

HAMMOND PROPERTY INVESTORS (CONTACT: INGLE MARTIN)

2. What are the connections of the owner? (E.g. Union, clique, large parent corporation, undesirable connections, etc.)

(To be assembled by OSA EUS)

BASIC DATA ON THE BUILDING

3. What are dimensions of:

A. The building.

a) Total square feet? (exterior measurements)

43,916 GROSS SQUARE FEET

B. The land.

b) Total square feet?

1.785 ACRES

4. What is the type of construction?

WILLIAMSBURG-STYLE, BRICK EXTERIOR WITH WOOD FRAMING
(ASSUMED)

5. What is the date of the construction?

1984

6. How many floors does the building have?

3 PLUS AN UNDERGROUND ENCLOSED GARAGE/STORAGE AREA

7. What is the square footage for each floor?

FIRST FLOOR – 11,230 ROUGH SQUARE FEET

SECOND FLOOR – 11, 230 RSF

THIRD FLOOR – 8364 RSF

BASEMENT/GARAGE – 11,916 RSF

8. Are there large and open spaces in this building?

YES, ON THE THIRD FLOOR.

9. Is there an auditorium/theater in this building? If so, how many square feet is it?

NO

10. Is there a basement in the building? If so, how many square feet is it and in what condition is the basement? Is it useable or could be made usable with fairly minor renovations?

YES, THE BASEMENT IS APPROXIMATELY 11,916 SQUARE FEET. IT HAS BEEN USED AS UNDERGROUND PARKING. IT COULD BE MADE USABLE SERVICE SPACE WITH RENOVATIONS.

11. Are there adequate parking spaces? How many and where in relation to the building? Does this comply to parking laws and regulations for this building and location?

YES, THERE ARE 111 ESTABLISHED PARKING SPACES WITH ANOTHER 120 USABLE PER A TEMPORARY EASEMENT. THIS COMPLIES WITH PARKING LAWS AND REGULATIONS FOR THIS BUILDING AND LOCATIONS.

12. Does the building have any recent history that would make it undesirable?

NO

13. The building is accessible by how many entrances?

THERE ARE 2 DRIVEWAY POINTS OF INGRESS/EGRESS.

THE BUILDING GARAGE/STORAGE MAY BE DRIVEN INTO, AND HAS A SECURED DOOR. THERE ARE FOUR (4) DOORWAY ENTRANCES ON THE FIRST FLOOR, AS WELL AS TWO (2) FIRST FLOOR OFFICES WITH TERRACE DOORS.

BUILDING LOCATION AND BODY TRAFFIC

14. Give a description of the surrounding area and who is nearby the proposed building and where this building is in relation to other things in the city. This includes who owns what buildings surround the org and how they affect us.

The Glenridge Square Building sits at a corner where Glenridge Drive meets Roswell Road. The building sits on a landscaped lot with numerous trees and bushes. The plot includes a decorative low red brick wall on 2 sides of the property (road sides). North of the building on Roswell Road sits a small wooded area, then a traditional southern building which houses three finance and loan companies. Directly west of the building and across Roswell Road are two condominium complexes, both with wooded landscape. South of the building and across Glenridge Drive sits another wooded lot with a traditionally styled gated townhome complex. East of the building is the USPS, situated in a building also indicative of the southern architecture. The Glenridge Square Building is $\frac{3}{4}$ of a mile south of a highway (Interstate 285). That stretch houses numerous apartment and condominium complexes in addition to small, traditionally styled business parks and restaurants. While these sit directly on Roswell Road, any of the side streets will lead to residential homes. Further south on Roswell Road, past the Glenridge Square Building, are a dry cleaner, gas stations, small businesses, restaurants, grocery store,

apartment/condominiums and more residential homes off each side road. The area further down Glenridge Drive, past the Post Office, is residential homes for approximately 2.5 miles, then this opens up into hospitals, business parks and the other major highway (Georgia 400). The building is 9.5 miles from downtown, approximately 5 miles from the upscale shopping/club district (Buckhead) and approximately 20 miles from the Hartsfield-Jackson International Airport.

15. Are the premises in a busy area with abundant pedestrian traffic?

- a) Give a breakdown of how many people walk by the building in 10 minute periods. (Do three counts: mid-morning, mid-afternoon and evening). Note what day you took this count and if it is different on weekdays than weekends include both as an example.

Morning: 4
Afternoon: 3
Evening: 2

- b) Note if the body traffic is random public or if they are the same people going to and fro at all three counts.

These are random public.

- c) Note what kind of body traffic is passing and whether they are upstat or downstat.

These were average working people. None were particularly upstat or downstat.

(ALSO SEE #93 FOR VITAL DATA CONCERNING LOCATION)

16. What is the location of premises in relationship to city center?

APPROXIMATELY 9.5 MILES NORTH OF THE CITY. (Attachment A)
(ALSO SEE #93 FOR VITAL DATA CONCERNING LOCATION)

17. Is the location in a high crime or slum area within the city? Include the crime rate of the area.

No. Crime rates for Atlanta 2001 attached. (Attachment B)

18. Political and ethnic climate of the community? Get a demographic survey of the area from the Realtor.

DEMOGRAPHIC SURVEY ATTACHED. (Attachment C)

19. What is the Tone level of the area?

Conservatism 3.0

20. Are there neighbors such as psychs, known SPs or other undesirables?

There are no neighbors such as psychs. In the vicinity are chiropractors and alternative healthcare healers.

21. What ample and cheap student and pc housing is nearby (rooming houses/hotels/apartments)?

There are 300 hotels/inns within 10 miles, 80 within 4.5 miles. Many of these are extended stay/business suites which can be kept for several weeks or months.
(source: www.citysearch.com)